

FRENCH GUN MAKER HAS CONFIDENCE IN COUNTRY'S FUTURE

Eugene Schneider Feels Optimistic on Industrial Outlook for Nation.

PEAK OF CRISIS IS PAST

France Is Economically Sound and Mastering Financial Problems.

PRODUCTION INCREASING

German Commerce Competing, but French Are Able to Meet Rivals.

Special Cable to THE NEW YORK HERALD. Copyright, 1921, by THE NEW YORK HERALD. New York Herald Bureau, Paris, July 9.

The head of the greatest group of industrial corporations of France, Eugene Schneider, president of Schneider & Co.'s establishments at Creusot and elsewhere and France's greatest individual employer of labor, talked with the correspondent of THE NEW YORK HERALD upon the business situation in France, the danger of German competition and the chances for the successful future of France.

M. Schneider, in the extent of his activities, might be compared with Hugo Stinnes of Germany, as he is France's greatest captain of industry, and with concerns operating in so many different fields he has his hands on the business pulse of France.

"There is no fear for the future," he declared, "although France has many difficulties to face, like most countries of the world, and despite the fact that the economic crisis of the last year took her by surprise at a time when her entire energies were bent upon reconstruction.

"France still is economically sound. She is mastering her financial problems, and her industries are solidly founded and operated upon the most modern lines. Workmen are inspired by the same ideals as French Government employees, namely, the maintenance of equitable relations for the benefit of France. Moreover, we can point to a year's record few other nations can show—only a few thousand out of work, and this not through strikes, but because France has been caught in the general wave of idleness which has been the most serious aftermath of the great war."

Results in Devastated Regions.

Expressing the fullest confidence in the continued development of France, M. Schneider brought out the results of investigations made by his own agents, which showed unexpected results in the reconstruction of the devastated regions.

Before the war these regions counted 4,670,000 inhabitants. When the armistice was signed only 1,944,000 remained, but to-day 4,100,000 have regained their homes. Of 293,000 homes damaged more than 280,000 are now repaired, and more than half of the cultivable soil of the devastated districts has been made productive.

"If we examine the production of the principal industries of France," said M. Schneider, "it is equally striking." In 1919 the coal production of France was 22,476,000 tons, but in the year just completed, this has risen to more than 25,000,000 tons. Iron ore output has jumped from 9,422,000 tons to more than 13,000,000; pig iron from 2,412,000 to 3,317,000 tons, and unmanufactured steel from 2,100,000 to nearly 3,000,000 tons, and this despite the chaos which reigned throughout the economic world during the latter part of 1920.

"This progress likewise is shown in our exterior economic relations. Last year imports were almost as great as in 1919, but exports doubled in the same period, and during the first quarter of this year the commercial balance showed an excess of nearly 1,000,000,000 francs on the export side.

"Moreover, France was one of the few countries which during the first quarter of the current year exported more than during the corresponding period last year. Another valuable index of our certain prosperity is to be found in official records regarding the jobless. At no time has the unemployed list exceeded 84,500. This was last April, but to-day only 60,000 are out of work, compared with millions in the United States and Great Britain."

Outlook Favorable.

So far as the financial recuperation of France is concerned, M. Schneider is frankly optimistic. He considers the reconstruction of France's finances as being carried on vigorously, and as systematically as possible under the circumstances, especially as much time has been lost in the settlement of the all-important question of reparations.

"It must be remembered that bank checks are not used here as extensively as in the United States," added M. Schneider. "There has been a very decided effect on our financial records."

The pre-war budget was only about 5,000,000,000 francs with a debt of about 25,000,000,000. Note circulation, then, of about 5,500,000,000, was guaranteed by the gold reserve of 4,000,000,000. But at the end of last year—and the situation has not been greatly changed since then—the interior floating and foreign debt of France reached the enormous total of 285,000,000,000 francs. Note circulation reached 87,919,000,000 but has not increased since.

"Moreover, it is certain that the large reimbursements for advances will be made to the Bank of France, which will have the same effect as the withdrawal of some of our excess circulation."

"Much has been said regarding France's severe loans, but they were absolutely essential if the budget was to be met. Nevertheless, she has succeeded in a tremendous financial effort. Last year Parliament voted what was estimated to be 4,000,000,000 of new taxes, bringing last year's revenue to more than 17,000,000,000, with every prospect of enough

NEW SHIP AMERICAN LEGION MAKES 21 KNOTS IN TRIAL

Speed of Vessel Just Completed by New York Ship Building Corporation Exceeds Requirements of Contract—For South American Trade.

Special Despatch to THE NEW YORK HERALD. PHILADELPHIA, July 9.—The new steamship American Legion returned to the yard of the New York Shipbuilding Corporation in Camden to-day after a trial trip in which she made twenty and nine-tenths knots, exceeding its contract speed by more than three knots. The ship completed all trials satisfactorily. Standardization highest single run 20.9; average for three best runs, 18.61. Vessel will be ready to meet sailing date set by Munson Steamship Company and the workmanship and finish of vessel reflects great credit on the builders.

The attainment of nearly twenty-one knots made by the vessel was considered most remarkable, as the contract required only a speed of seventeen and a half knot.

On Monday the ship will be turned

being raised during the year to meet public expenses. "Tax on incomes alone brought in 1,300,000,000 francs last year compared with 700,000,000 the year of the armistice. The budget for last year and this year were both burdened by the necessity of meeting arrears of our war debts. This coupled with the delay in arranging a solution of the German indemnities weakened the apparent effects of our financial effort, but now it is hoped that the German payments will enable us to continue the work of rehabilitation for which we have already advanced 70,000,000,000 from our own pockets.

"If we eliminate the account of the devastated regions, it would be seen that France to-day is in a better economic situation than any of the belligerent nations. This is generally recognized since the fixing of the German annuities by the London agreement.

"There are the precise symptoms which if taken into consideration with the general economic possibilities of the country warrant entire confidence for the future, as well as the rapid expansion of all our forces and resources."

M. Schneider, discussing the evidence of German competition, admitted that German industries are competing often unfairly with the French producers. Especially are efforts being exerted to capture the French electrical markets for which the Germans were struggling so viciously by underbidding made possible, owing to cheap labor and Government assistance when the war broke out.

Electrical Development.

"But this is only one of many industries where competition is affecting our market," M. Schneider added, "and especially it is interesting, as France's future welfare will depend largely upon the development of her electrical resources."

The Schneider concerns are making great preparations to meet the need of electrical machinery by great developments at Havre, in the Champagne, at La Londe and near Toulon.

"Germany evidently wants the battle to be fought to the finish now, when the advantageous differences in exchange and temporary superiority of production owing to France's ruined business would enable her to regain at least some of her lost ground."

"Undoubtedly, the essential cause of this is the depreciation of the mark. German manufacturers are paying far less than the French for the coal materials and for labor. A ton of fuel costs 250 marks, but this in reality is only fifty francs. A good German workman costs perhaps fifty francs per month, but that is only eleven francs, while the French workman of the same quality in the electrical industry would be paid almost twice as much.

"As a matter of fact, the increased cost of materials in Germany has not kept pace with the decrease in the value of German currency. This warrants considerable criticism of the financial and economic policy followed by the Reichstag Government. The imperial budget subvented indirectly the whole of the German industries. The German Government to-day is losing about 15,000,000,000 a year by granting freight reductions to manufacturers, and enormous sums are also being spent without chase foodstuffs to be sold at cheaper rates to the population.

"In other words the State is willing to ruin itself, but the wealth of the individual Germans increases."

Underselling French Motors.

"A few months ago the Peugeot Company of Chemnitz notified French firms that it was preparing a special price list for exportation. The German rates no longer being valid. Since then German competition has increased daily and is being felt especially in northern and eastern France.

"Recently it has appeared in the region of Lyons and Narbonne, with a wider and wider gulf separating the prices asked by the German and French producers. For example, the Allgemeine Elektrizitäts Gesellschaft is offering 250 horsepower motors in Alsace at 50 per cent. under the French average for similar material. An equal price cut is shown in the dealings of the Krieger firm of Saarbrück.

"Meanwhile, German manufacturers have commenced to reappear, only thinly disguised, with several branches in various parts of France. The Allgemeine Elektrizitäts has a masked branch at Paris and has started negotiations for another at Lyons. A Berlin firm, May Levy, also is represented in Paris and Siemens Company has an active representative both in Paris and Lyons.

"Moreover, this German concurrence does not adhere to loyal business principles. The Chemnitz firm of Adler puts out price lists in Swiss francs without mentioning that the war has cut in shown in the dealings of the Krieger firm of Saarbrück.

"To Meet Competition.

M. Schneider insists, however, that the French electrical industry has made prodigious efforts to counter such competition. Technical progress has made it no longer necessary to rely upon any German collaboration in French industries and during the last four months prices have been reduced more than 20 per cent.

In order to defeat German manufacturers' efforts special terms have been made for Alsace-Lorraine, where Germany had planned to become supreme at all costs.

over to the Munson Line by the Shipping Board, and, according to F. C. Munson, president of the line, which will operate it to South American ports, it will leave about July 17 for New York preparatory to sailing on its maiden voyage to South American ports on July 27. The vessel is a combination passenger and cargo carrier, 635 feet long and 21,300 tons displacement.

The American Legion guests held a session on the ship. Col. Henry D. Lindsey of Dallas, Texas, president and expressed gratitude to the shipbuilding firm for having built such a fine ship to be named after the American Legion. He also presented to President Munson the original bronze cast of the American Legion emblem, nine inches in diameter, which will be mounted and placed on the ship.

President M. A. Neeland of the Shipbuilding Corporation, announced that he will have a table with a preamble of the constitution of the organization placed on the ship, as suggested by Major John B. Emery, the National Commander.

ing on the stronger spirit of cooperation existing between employers and workers in most of the French industries, I feel confident that Germany's efforts to ransom her war defeat by economic victory will not be fruitful.

Concluding, M. Schneider flatly refuted common criticism that the French industries have not been progressive. "Most Americans have very incorrect ideas as to how we conduct business," he said. "We have been depicted as a purely agricultural nation, carrying on a few industries with only negligible attention to modern methods."

"A visit to Creusot or other Schneider works will show this to be incorrect. We are fully alive to the benefits of the Taylor and other systems of scientific management. We study the betterment of our industrial relations as do the Keelers or any other manufacturers. In fact, many methods now called modern have been used in France for the last half century. This has given a better understanding among our employees than is found in most nations."

"As a result, in Creusot we have not had a strike for nearly thirty-three years, and only two in a century, and then only for the purpose of realising a system which would permit greater collaboration between the workers and those immediately directing them."

"In addition the schools movement for which my grandfather, the founder of the Schneider interests in 1839, is now spread through France, most of the big industries having their own technical and professional apprenticeship courses, equivalent to the training in manual high schools in the United States and preparatory university work."

"We have adopted a plan of watching the lower classes closely and if at the end of the first few weeks the students do not show aptitude for the higher studies they are directed towards apprenticeship under the best conditions. This gives another reason why we are not losing faith in the future, as our factories and mills and offices are being developed along the line of economic companionship with the sons of our lowest grades of labor fitting themselves systematically to occupy the highest positions of trust for the benefit of France as well as our own."

GREEKS START DRIVE ALONG USHAK SECTOR

Offensive Begun, Says Report From Constantinople.

By the Associated Press.

CONSTANTINOPLE, July 9.—According to an unconfirmed report emanating from Greek official circles to-night the Greek offensive against the Turkish Nationalists began this morning in the Ushak sector.

The sector lies just to the west of the Bagdad railway, about midway the Anatolian peninsula.

PERU AND ECUADOR AGAIN NEAR BREAK

Former Country Recalls Its Charge d'Affaires.

By the Associated Press.

GUAYAQUIL, Ecuador, July 9.—Following the official refusal of the Ecuadorian Government to send a delegation to Peru for the celebration of the centenary of that country's independence, Alberto Bressan, Peruvian Charge d'Affaires here, has been instructed by his Government to leave Ecuador.

The Ecuadorian newspapers advise similar action by Ecuador, saying that relations between the two countries had been broken.

ANGLO TALKING UNION LOSES PRESIDENT TAFT

New Justice Felicitates Body on Its Third Birthday.

A letter from William H. Taft resigning the presidency of the English-Speaking Union, because of his new duties as Chief Justice of the Supreme Court, was received by the organization yesterday. It was sent from Montreal and expressed hope in the favorable outcome of the approaching disarmament conference. It follows:

"I felicitate the Union on its third birthday. Its great object is to cement the friendship between the United States and the British Empire by softening asperities and removing misunderstandings due to disaffected groups in both countries. The object was never more important than just now. On the friendship and the useful cooperation of the two great peoples depends in large measure the continued peace of the world. The coming conference to consider and recommend a plan for naval disarmament is most auspicious. May it be the beginning of a great world movement to lessen the swords and increase the ploughshares."

"I have been honored with the presidency of the American branch, and my association of my name with that of Mr. Balfour as president of the British branch. I regret that my new judicial office requires me to ask the Union to accept my resignation and to elect a new American president."

Forecasts Public Approval.

Representative Mondell, the Republican floor leader, spoke briefly near the close of the day, paying tribute to the Republican members of the Ways and Means Committee for the work they had done in drafting the bill. He declared that notwithstanding the many handicaps under which the bill was framed "this bill has with a more favorable response from the country than any like measure presented in a generation," and added that "this approval will, in my opinion, grow rather than diminish as the provisions are examined and analyzed."

Representative Oldfield challenged the Republicans to show where benefit had been derived by the farmers from passage of the emergency tariff law. He said it had not created a stronger market for anything grown on the farm, but had aided in keeping up the already high living costs.

"You are experts at helping the rich," he continued, addressing himself to the Republicans. "You always say that they get something without earning it. But I wonder what the laboring man is going to say when he sees the vast profits reaped by his employers through the tariff which his living costs mounting and his pay envelope shrinking."

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Late of the Plaza Hotel

With the Beach Club, Palm Beach, in the Winter

DEMOCRATS RALLY ABOUT A STRAW HAT

Faded Headgear Used as Text of Garner's Attack on Tariff Bill.

RAPS VALUATION PLAN

Texas Charges Consumer Will Feel Skyward Trend of Prices.

GREEN MAKES REPLY

Insists Measure Has Already Met Favorable Public Response.

WASHINGTON, July 9.—An old straw hat was the article used by Democrats in opening their attack in the House to-day on the Fordney protective tariff bill to illustrate their contention that its rates were higher than anything written into the Payne-Aldrich bill a decade ago.

Representative Garner (Tex.), ranking Democrat on the Ways and Means Committee, in the course of a two hour denunciation of the measure seized the hat as the first object within sight and challenged Republican members of the committee to say offhand what duty had been imposed upon it.

Attacks Valuation Provision.

There was a moment's hesitation. Then, in the midst of a shout from the minority side, Representative Green, Republican (Iowa), arose from his seat and brought an answering shout from the Republican side by announcing that it was printed in the bill.

Still waving the faded headgear, Mr. Garner declared that in the Payne-Aldrich bill the duty on that product was 50 per cent., but in the Fordney measure it was \$10 a dozen plus an ad valorem duty of 30 per cent., which made the actual import tax, he added, 61.25 per cent. Comparison of the two bills, he said, would show the same scales running through 246 pages of the Fordney measure. The average rate of the Fordney measure, he added, was higher than any ever proposed before by Congress.

Attacking the American valuation provision, Mr. Garner charged that if it had been applied to the present Underwood law rates now being paid would exceed the Payne schedules in every instance.

There were many sharp exchanges while Mr. Garner had the floor. Most of the battles raged around the valuation provision, and Mr. Garner declared that the most glaring evidence of how it would shoot rates skyward was to be found in the case of reed furniture, much of which is shipped here from Japan.

In quoting from a letter received from a manufacturer at Grand Rapids Mr. Garner charged that because of the peculiar conditions entering into foreign production the reed furniture rate figured exactly 14.7 per cent. higher than the Underwood tariff, which stipulated a duty of 15 per cent. against the Fordney's 50 per cent.

Debate Starts With Rush.

With the principal speeches for and against the bill out of the way the debate was turned over to members generally and it started with a rush under an agreement calling for a solid week of talk.

The name of Secretary Mellon was brought into the discussion by Representative Oldfield (Ark.), a Democratic member of the Ways and Means Committee, who described the Treasury Secretary as one of the "beneficiaries" of the high tariff. He said that "the Mellons of Pittsburgh" control the aluminum industry of the United States and called attention to the increase in duty to five cents a pound on aluminum.

"Of course," he added, "I am not blaming Secretary Mellon. He did not write this bill, had nothing to do with it, but his group paid 12 per cent. dividend on the tariff millions of capital last year and I want to know why it is necessary to give them more."

Representative Green sought to explain that the five cent duty "means nothing" to the consumer. He illustrated his statement with the cost of the old kitchen step, saying that less than half a pound of aluminum was used in its manufacture, but Mr. Oldfield asserted that whether the amount was great or small the consumer was being taxed for the benefit of the manufacturer.

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CHICAGO REFERENDUM OPPOSES SALES TAX

Business Men Would Keep Luxury Assessment.

Special Despatch to THE NEW YORK HERALD. CHICAGO, July 9.—Sentiment favoring the retention of the taxes on automobiles, musical instruments, jewelry and other "luxuries" and a negative decision on the question of a sales tax are revealed by a referendum vote taken by the Chicago Association of Commerce, tabulated to-day.

The vote was taken at the request of the Chamber of Commerce of the United States, which is conducting a national referendum on the question. Of the 2,229 business men who voted, 947 favored repeal of the luxury taxes and 1,170 voted for their retention. On the question "Do you favor a tax on sales of goods, wares and merchandise, when sold by the producer, fabricator, wholesaler or retailer?" the vote was: Yes, 783; No, 1,189.

PERMIT FOR MIAMI CABLE NOT GRANTED

No Change in Status of U. S. Dispute With the Western Union.

Special Despatch to THE NEW YORK HERALD. New York Herald Bureau, Washington, D. C., July 9.

There has been no change in the status of the controversy between the Western Union Company and the Government over the refusal of the authorities to permit the landing of a cable at Miami, which would connect with the British cable at Barbados. It was authoritatively stated at the State Department to-day.

The department, it was said, has not yet recommended the granting of a per-

mit to the Western Union for that purpose, as was reported.

The Western Union Company, through its counsel to-day in the Supreme Court of the District of Columbia, withdrew its suit against the Navy Department, in which it sought to compel the department to issue a permit for extending certain cables on the Biscayne Bay, in Florida.

The main principles in the suit dismissed are involved in another suit by the company against the Government dealing directly with the Miami project. This suit is now in the Supreme Court of the United States and under agreement it has been advanced on the calendar.

VOCATIONAL BOARD KEPT BUSY

Big Reduction of Cases Pending in New York Is Reported.

WASHINGTON, July 9.—A reduction of \$148 in the cases pending for action in New York, New Jersey, Connecticut, Pennsylvania and Delaware during the month of June was reported to-day by the Federal Board for Vocational Education. Cases pend-

ing in the first three named States were reduced from 6,552 to 2,315. It was stated, and those in the other two States from 5,633 to 822.

"By August 1," said the board's announcement, "it is expected the number of cases pending action will be very small."

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FASHIONS with all the appeal of the new—smart coats and wraps; cool summary frocks; sports skirts and sweaters of the latest cut; dainty blouses; hats new and charming . . . all just out of their wrappings, and as pretty as they're new! Every garment is desirable in itself, regardless of price. At these low figures, we believe (and customers tell us) that they are the best values in the city.

Women's Canton Crepe Capes

38.00

Graceful silk fringed models with uneven hem line. Jacquard or plain canton. In black or navy with gray, or black with white they are reversible and appropriate for daytime or evening.

THIRD FLOOR

Women's Crepe de Chine Dresses

29.50

A smart straight line model in navy or black crepe de chine, with loose panels, sash and collar faced in gray. The little gilet is also of gray.

THIRD FLOOR

Women's "Woolspun" Jersey Coats

12.50

"Woolspun" is the new jersey that will not shrink or stretch—garments of "Woolspun" are exclusive in New York with Best & Co. These coats have full inverted pleat back, and are exceptionally well-tailored.

THIRD FLOOR

White Sport Oxfords

7.50

Genuine white buckskin with rubber sole, spring heel. An unusually smart shoe, comfortable and good looking. A typical Best & Company shoe value.

THIRD FLOOR

Women's Silk Bathing Suits

8.50

An attractive model with tie-around blouse and big sash—hem outlined with a piping—square neck. Navy or black taffeta or black satin. Women's and misses' sizes.

MAIN FLOOR

Black Satin Strap Pumps

7.50

Black satin pumps are very much in demand for both daytime and evening wear—the one-strap pump is a favorite and unusual enough at this price to be specially popular. High or low French heels.

THIRD FLOOR

Openwork Clox Silk Hose

3.75

Also lace boot silk stockings—both sorts in silver, polo gray, gold, brown, black and white. Beautiful quality silk.

MAIN FLOOR

Misses' Canton Crepe Wraps

32.50

A canton crepe coat has a tuxedo front loose sleeves trimmed with French knots and narrow tie belt. A cape at the same price is deeply fringed in silk fringe. Sizes 14, 16 and 18 years.

SECOND FLOOR

Misses' Crepe de Chine Frocks

25.00